

m/023/007

UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF COLORADO

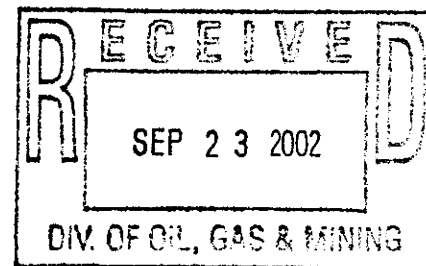
IN RE:

NORTH LILY MINING COMPANY, INC.,  
a Utah corporation,  
EIN: 87-0159350

Debtor.

Case No. 01-23068-EEB

Chapter 11



IN RE:

XERES TINTIC, LLC

EIN: 84-1528808

Debtor.

Bankruptcy No. 01-23069-EEB

Chapter 11

**Jointly Administered Under  
Bankruptcy No. 01-23068-EEB  
Chapter 11**

**MOTION TO APPROVE BALLOTS**

The Debtors, North Lily Mining Company, Inc. ("North Lily") and Xeres Tintic, LLC ("Xeres"), by and through their attorneys, Kutner Miller Kearns, P.C., hereby move the Court to approve the ballots to accompany the Debtors' Plan of Reorganization and Disclosure Statement for mailing to creditors and equity security holders, and as grounds therefor state as follows:

1. The Debtors, North Lily and Xeres, filed their Voluntary Petitions under Chapter 11 of the Bankruptcy Code on September 6, 2001. The North Lily case is being jointly administered with the Xeres case.

2. On August 20, 2002, the Debtors filed their Second Amended Plan of Reorganization Dated January 4, 2002 ("Plan") and their Second Amended Disclosure Statement To Accompany Second Amended Plan of Reorganization Dated January 4, 2002 ("Disclosure Statement").

3. Pursuant to the Plan, general unsecured creditors may select one of three options regarding treatment of their claim. Also pursuant to the Plan, shareholders are given one of two options regarding treatment of their shares if the number of shares is less than 100 after the 10 to 1 reverse split of the North

Lily stock. The Debtors wish to incorporate the options for both creditors and shareholders into the ballot to accept or reject the Plan.

4. The Debtors have prepared a form creditor ballot and a form shareholder ballot, attached hereto as Exhibits A and B respectively. Both the creditor ballot and shareholder ballot will be sent out to creditors and shareholders, as appropriate, with the Plan and Disclosure Statement.

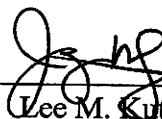
5. Notice of this Motion need not be provided to creditors or shareholders since the general form of ballot is prescribed by the Rules. The modifications are designated to assist in implementing the Plan and minimize paper and additional mailings.

WHEREFORE, the Debtor prays that this Court make and enter an Order approving the ballots attached to this Motion as Exhibits A and B, and for such further and additional relief as to this Court appears proper.

Dated: September 18, 2002.

Respectfully submitted,

By: \_\_\_\_\_



Lee M. Kutner, #10966

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KUTNER MILLER KEARNS, P.C.

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**CREDITOR BALLOT FOR ACCEPTING OR REJECTING AMENDED PLAN**

**TO CREDITORS:**

The Amended Plan referred to in this ballot can be confirmed by the Court and thereby made binding on you if it is accepted by the holders of two-thirds in amount and more than one-half in number of claims in each class and the holders of two-thirds in amount of equity security interests in each class voting on the Amended Plan. In the event the requisite acceptances are not obtained, the Court may nevertheless confirm the Amended Plan if the Court finds that the Amended Plan accords fair and equitable treatment to the class rejecting it. To have your vote count you must complete and return this ballot.

The undersigned, a creditor of the above-named Debtors in the unpaid principal amount of \$ \_\_\_\_\_

\_\_\_\_\_ Accepts

\_\_\_\_\_ Rejects **(Please select one)**

the Amended Plan for the reorganization of the above-named Debtors.

The undersigned Class NL7 or X5 general unsecured creditor hereby elects:

**(Please select one)**

\_\_\_\_\_ **Option One:** Receipt of one share of North Lily stock for each dollar of allowed claim.

\_\_\_\_\_ **Option Two:** Receipt of \$.35 for each dollar of allowed claim.

\_\_\_\_\_ **Option Three:** Receipt of \$.20 for each dollar of allowed claim and one share of North Lily stock for each dollar of remaining allowed claim.

DATED: \_\_\_\_\_

TYPE OR PRINT NAME (COMPANY OR INDIVIDUAL): \_\_\_\_\_

SIGNED: \_\_\_\_\_

(IF APPROPRIATE) BY: \_\_\_\_\_

AS (TITLE): \_\_\_\_\_

ADDRESS: \_\_\_\_\_

RETURN THIS BALLOT ON OR BEFORE \_\_\_\_\_, 2002.

PLEASE SEND ORIGINAL TO:

**EXHIBIT** \_\_\_\_\_

*A*

Jenny M.F. Fujii, Esq.

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Denver, CO 80203

Telephone: (303) 832-2400

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**SHAREHOLDER BALLOT FOR ACCEPTING OR REJECTING AMENDED PLAN**

**TO SHAREHOLDERS:**

The Amended Plan referred to in this ballot can be confirmed by the Court and thereby made binding on you if it is accepted by the holders of two-thirds in amount and more than one-half in number of claims in each class and the holders of two-thirds in amount of equity security interests in each class voting on the Amended Plan. In the event the requisite acceptances are not obtained, the Court may nevertheless confirm the Amended Plan if the Court finds that the Amended Plan accords fair and equitable treatment to the class rejecting it. To have your vote count you must complete and return this ballot.

The undersigned, a shareholder of the above-named Debtors in the amount of \_\_\_\_\_ shares

\_\_\_\_\_ Accepts

\_\_\_\_\_ Rejects **(Please select one)**

the Amended Plan for the reorganization of the above-named Debtor, North Lily.

In the event that the 10:1 reverse split of my interest in the North Lily stock results my holding less than 100 shares, an odd lot, the undersigned NL8 shareholder hereby elects:

**(Please select one) Failure to select an option may result in cancellation of your shares.**

\_\_\_\_\_ **Option One:** The right to purchase additional shares, at a price no more than \$1 per share, sufficient to provide me with 100 shares.

\_\_\_\_\_ **Option Two:** Decline the right to purchase additional shares, resulting in cancellation of all of my outstanding shares.

DATED: \_\_\_\_\_

TYPE OR PRINT NAME (COMPANY OR INDIVIDUAL): \_\_\_\_\_

SIGNED: \_\_\_\_\_

(IF APPROPRIATE) BY: \_\_\_\_\_

AS (TITLE): \_\_\_\_\_

ADDRESS: \_\_\_\_\_

RETURN THIS BALLOT ON OR BEFORE \_\_\_\_\_, 2002.

PLEASE SEND ORIGINAL TO:

EXHIBIT \_\_\_\_\_

Jenny M.F. Fujii, Esq.  
Kutner Miller Kearns, P.C.  
303 East Seventeenth Ave., Suite 500  
Denver, CO 80203

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**ORDER APPROVING BALLOTS**

THIS MATTER having come before the Court on the Debtor's Motion to Approve Ballots ("Motion") to accompany the Debtors' Plan of Reorganization and Disclosure Statement for mailing to creditors, the Court having considered the Motion, cause having been shown by the Debtor, the Court does  
**ORDER**

That the Ballots as attached to the Motion are hereby approved.

DONE and entered this \_\_\_\_ day of \_\_\_\_\_, 2002 at Denver, Colorado.

\_\_\_\_\_  
Judge Elizabeth E. Brown  
United States Bankruptcy Judge